Province of British Columbia

MINISTRY OF INTERGOVERNMENTAL RELATIONS

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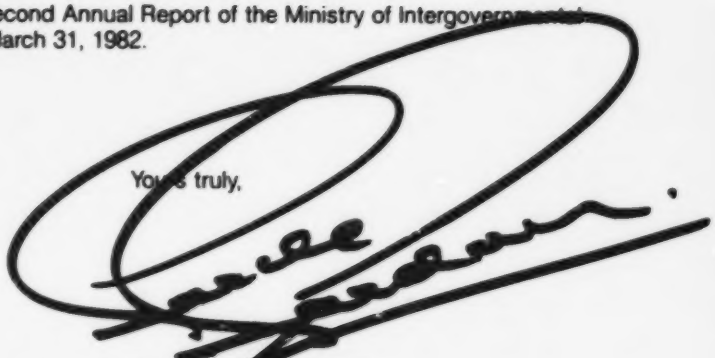
December 29, 1982

The Honourable Henry P. Bell-Irving, D.S.O., O.B.E., E.D.
Lieutenant-Governor of British Columbia

MAY IT PLEASE YOUR HONOUR:

Herewith I respectfully submit the Second Annual Report of the Ministry of Intergovernmental Relations for the fiscal year ended March 31, 1982.



Yours truly,

Garde B. Gardom, Q.C.
Minister.

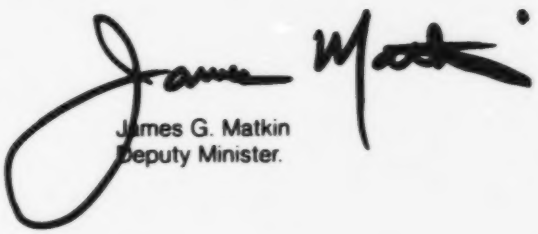
December 29, 1982

The Honourable Garde B. Gardom, Q.C.
Minister of Intergovernmental Relations
Parliament Buildings
Victoria, B.C.

Sir:

I have the honour to submit the Second Annual Report of the Ministry of Intergovernmental Relations for the fiscal year ended March 31, 1982.

Yours truly,



James G. Matkin
Deputy Minister.

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Minister
Honourable Garde B. Gardom, Q.C., Victoria

Agent General
Alexander H. Hart, Q.C., London, England

Executive Committee

James G. Matkin, Deputy Minister, Victoria
Melvin H. Smith, Deputy Minister (Constitutional Affairs), Victoria
Mark Krasnick, Secretary, Cabinet Committee on Planning & Priorities
Robert S. Plecas, Secretary, Federal-Provincial Relations
Evan Evans-Atkinson, Director of Communications

The Ministry has been deeply involved in two major matters during the past year: patriation of the Constitution and the Compensation Stabilization Program.

The proposed patriation of the Canadian Constitution was an extremely difficult concern for federal-provincial relations. British Columbia took leadership in the formation of the group of eight provinces that opposed the unilateral activity of the Federal Government. The Ministry of Intergovernmental Relations supported the Premier in his unique role as lead premier of his provincial colleagues during the constitutional negotiations that ended the patriation crisis.

The shape of a new agreement began to emerge when the ten provincial governments met together in British Columbia in the summer of 1981 for the Premiers' Conference. As host province, British Columbia was able to definitively communicate the validity of the position of the "Group of Eight" to Ontario and New Brunswick, particularly concerning the issue of the veto for Central Canada contained in the amending formula proposed by the Federal Government.

In September, the Ministry made the preparations for the important meetings between the Prime Minister and Premier Bennett, where the reference decision of the Supreme Court of Canada was discussed. Subsequently, the Ministry supported the Premier in his private meetings with his colleague Premiers in each provincial capital. This initiative helped prepare the way for compromise in the final negotiations that included a new amending formula, language rights and a Charter of Rights and Freedoms.

On February 18, 1982 Premier Bennett announced a "Restraint on Government" program, one part of which consisted of limitations on increases in compensation in the public sector. The Ministry of Intergovernmental Relations played a key role in developing this Compensation Stabilization Program (C.S.P.).

At the request of the Premier, the Deputy Minister led a team of officials (mostly from this Ministry), who developed the legislation, regulations and guidelines that established the C.S.P. Ministry officials organized the consultation process that accompanied the drafting of these measures and helped to adapt the C.S.P. in the face of worsening economic circumstances. Also members of the Ministry undertook a consultative process encouraging submissions by interested parties prior to introduction of legislation. Later an information program was developed to explain the policy underlying the C.S.P. to the public.

This complex program was developed in a limited period of time and in a rapidly evolving situation. The C.S.P. legislation passed the House on June 25 and by July 27 regulations and guidelines had been issued. The program is a blend of voluntary and mandatory measures that are flexible, fair and self-administering.

The Ministry became more involved in 1982 in the international negotiations with the City of Seattle over the flooding of the Skagit Valley. It is anticipated that a new accommodation is possible.

The period covered by this annual report (April 1, 1981 to March 31, 1982) was a milestone in the achievement of constitutional reform in Canada.

Efforts to devise an acceptable amending formula and to make other significant constitutional reforms have pre-occupied Canadian governments intermittently since 1927. The Constitutional Agreement of November 5, 1981 represents the culmination of those efforts and the government of British Columbia took a leading role.

Now that patriation of our Constitution has been completed, it appears appropriate to review the long term constitutional reform objectives of the province and the extent to which those objectives have been achieved or remain outstanding.

Since 1976 British Columbia's constitutional objectives have stressed:

—our commitment to a united Canada and to the basic principles of federalism;
—the strengthening of the federation through a new Upper House of the federal Parliament;
—greater provincial representation in central institutions that have a profound effect in establishing national policy such as the Bank of Canada, the Canadian Transport Commission, Canadian Development Corporation, and the Canadian Radio and Television Commission;
—more balanced regional representation on the Supreme Court of Canada;
—the patriation of the Constitution;
—an amending formula for the Constitution that is fair and equitable to all regions of Canada.

During 1981 British Columbia played a leading role in efforts to move the Federal Government to abandon its unilateral Resolution to amend the Constitution.

In a comprehensive submission to the Special Joint Committee of the Senate and House of Commons in January, 1981, the Province urged the Federal Government to set aside its unilateral approach and return to the Canadian way of resolving our differences by cooperation and compromise at the conference table.

In January 1981 British Columbia, through initiatives taken by the Minister of Intergovernmental Relations, the Honourable Garde B. Gardom, led the way in having six, then seven, then finally eight provinces reach agreement on a positive constitutional proposal.

Eight Provinces committed themselves to an alternate route to patriation, which would have all changes to the Constitution made in Canada by Canadians after patriation.

The historic "Constitutional Accord" signed by the Premiers of Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan on April 16, 1981 provided for:

—patriation of the Constitution;
—adoption of a new amending formula for the Constitution;
—intensive constitutional negotiations over the next three years; and
—the discontinuance of all court action on this matter.

(The new amending formula proposed by the eight Provinces ultimately became the basis of the formula that was finally agreed to in November, 1981.)

Throughout this period, Provincial spokesmen continued to call for a greater measure of goodwill and willingness on the part of the Federal Government to return to the conference table to renew our Constitution together in Canada among Canadians.

Premier Bennett was chairman of the 1981 Premiers' Conference, a role which took on special significance during this historic time.

In September, 1981, the Supreme Court of Canada ruled that the efforts of the Federal Government to patriate the Constitution, with support only from Ontario and New Brunswick, were unconstitutional and that a substantial measure of provincial consent was necessary.

The Premier then met with the Prime Minister and subsequently with each of the other nine Premiers, and agreed to return the ten provinces and the Federal Government to the negotiating table in November, 1981.

The result was the historic signing by all governments, except Quebec, of the Constitutional Agreement in November, 1981 that included:

—patriation of the Constitution;
—a Charter of Rights;
—an amending formula in which all provinces are treated equally with no veto for any one province;
—affirmation of provincial ownership and control of non-renewable resources;
—constitutionalization of the principle of equalization;
—the requirement that a constitutional conference be held within one year to include a consideration of constitutional matters that directly affect the aboriginal peoples of Canada.

This agreement led to the passage by the British Parliament of the *Canada Act* and the coming into force of the *Constitution Act, 1982* on April 17, 1982.

On April 15, 1982 the following motion, moved by the Honourable Garde B. Gardom, was adopted unanimously by the British Columbia Legislature:

> *"As we approach April 17th, this most significant and historic day when the Queen of Canada Elizabeth II proclaims the Canada Act 1982, a made in Canada Constitution, which establishes our country constitutionally as it has been in fact, a completely sovereign and independent nation, we, the members of the Legislative Assembly of British Columbia reaffirm our commitment to our country, united from sea to sea, and our allegiance to the Crown.*
>
> *"And we urge our fellow Canadians everywhere to associate themselves with these commitments and to oppose any forces that may seek to weaken or divide our federation or our Provinces."*

Passage of the *Constitution Act, 1982,* with its attendant amending formula, has opened new avenues for initiating constitutional reform — either individually or collectively by governments.

Now that we have the power to amend the Constitution in Canada with a workable amending formula the way has been cleared to get on with those British Columbia constitutional objectives that remain to be realized. The long overdue reform of the Upper House so that it is truly representative of regional interests as well as provincial input in the process of appointment of members of central institutions such as the Supreme Court of Canada and major Boards and Commissions is necessary to make these institutions truly federal in character.

Three related functions make up the federal-provincial division within the Ministry: international affairs, federal-provincial relations and the coordination of visits and conferences.

INTERNATIONAL AFFAIRS

In the past reporting year, the Ministry enhanced its ability to coordinate the international aspects of its mandate with External Affairs in Ottawa. Coordination of the government's positions on international questions will be the focus of the Ministry's Senior Policy Analyst, External Affairs.

Ministry staff provided logistical support for several foreign trips by the Premier. The Cabinet Secretariat has also become involved in international work in diverse fields; education, culture and transborder environmental issues.

As part of its emerging international role, the Ministry coordinated preparation of briefing material for the Premier's visit to Washington State on January 21, 1982 for his address to a joint session of the Washington House and Senate.

The Ministry also participated in the Alaska/British Columbia/Yukon Coordinating Committee. This body has as its primary function the organization of the annual Alaska/British Columbia/Yukon Heads of Government meeting, and examines ways in which officials from the three jurisdictions can usefully cooperate. In 1982, the Heads of Government meeting was held in Juneau, Alaska on May 3 and the Deputy Minister joined the Premier's delegation for this trip that resulted in a joint information agreement signed between Alaska and British Columbia.

The Honourable Garde B. Gardom and officials also participated in meetings at Washington, D.C. with the International Joint Commission and the City of Seattle concerning proposals to resolve the Skagit Valley issue.

FEDERAL–PROVINCIAL RELATIONS

The functions carried out in federal-provincial relations fall into two categories: coordination and briefing preparation for major conferences, plus overview and monitoring of issues.

The Ministry of Intergovernmental Relations was responsible for the coordination and preparation of all briefing materials for the 1981 Western Premiers' Conference held April 28-29, 1981 in Thompson, Manitoba. Briefing materials included papers on federal-provincial matters, regional co-operation, the western power grid, and transportation and grain handling.

The Ministry also performed a number of important responsibilities for the 22nd Annual Premiers' Conference held in Victoria, August 12-14, 1981. They were: administration and support services; preparation and coordination of all briefing materials including papers on the Constitution, the economy, federal-provincial relations and interprovincial cooperation; registration, and provision of assistance and liaison to the Canadian Intergovernmental Conference Secretariat staff.

The First Ministers' Conference on the Economy was held in Ottawa on February 2, 3 and 4, 1982 and again the Ministry played a central role in the preparation and coordination of the province's position. The conference discussed both macro and micro economic issues including public sector spending and wage restraint, plus matters such as fiscal arrangements and Established Program Financing. The Ministry was represented at the conference by a senior staff official as part of the Premier's delegation.

As well as monitoring other federal-provincial conferences of ministers and senior officials, ministry staff participated in important discussions on fiscal arrangements, manpower and communications.

On behalf of the Minister and the Executive Council, the Ministry monitors, overviews and reports on significant policy issues. Of importance during this fiscal year were negotiations and/or other responsibilities concerning Established Program Financing, the proposed federal initiatives regarding competition policy, the Pearse Royal Commission into Fisheries, the National Energy Program, ports policy, National Energy Board Hearings into Natural Gas, changes to the Crow Rate and manpower issues.

VISITS AND CONFERENCES

During 1981-82, this Ministry coordinated 70 foreign visits to British Columbia. These visits, undertaken by foreign diplomats, politicians, officials, journalists and others, concentrated on such topics as the Constitution, Canadian federalism, trade, agriculture and energy. Countries represented by these visits included Australia, United States, Britain, Japan, China, Germany, France, New Zealand, Finland, Russia, Chile, Venezuela, Nigeria, Brazil, Portugal and Peru.

The Ministry also assisted in the planning and coordinating of 15 foreign visits by British Columbia Ministers and officials.

SUPPORT SERVICES

With the development and staffing of a formal organization, the Ministry of Intergovernmental Relations established a Support Services Branch during 1982 to meet the evolving administrative needs of the Ministry. This branch provides administration in the areas of finance, personnel, systems and facilities. In the fall of 1981, a centre was established to provide an administrative and clerical support structure to facilitate the processing of documents related to the Ministry and cabinet committees.

The Ministry of Intergovernmental Relations is mandated to facilitate the functioning of the cabinet committee system by providing secretariat services to all standing, ad hoc and statutory committees of Cabinet other than Treasury Board.

The Cabinet Secretariat manages this committee process by advising ministry officials about the preparation of cabinet submissions and by ensuring that there is consultation on the interministerial implications of cabinet submissions. It establishes agendas, briefs the committee chairman on agenda items, and keeps records of committee decisions.

At present, there are thirteen committees for which the Cabinet Secretariat is responsible. The cabinet committees are categorized as coordinating committees, standing committees or special committees.

The coordinating committees are the Cabinet Committee on Planning and Priorities, the Cabinet Committee on Employment Development and the Cabinet Committee on Legislation. The Planning and Priorities Committee reviews major policy decisions made by the standing and special committees. The Employment Development Committee stimulates and coordinates job creation and manpower policies. The Legislation Committee reviews legislation to see that drafts comply with or reflect government policy.

The standing committees — Economic Development, Social Services, and Environment and Land Use — represent the major substantive policy spheres.

Among the special committees are the Cabinet Committee on Coal Development, on Urban Transit and the Constitution Committee.

Ancillary to the three standing committees are Deputy Ministers' committees. The Cabinet Secretariat provides services to these Deputy Ministers' committees.

The 1981/82 reporting year was active for the Secretariat. Cabinet committees met regularly on a weekly basis and Deputy Ministers' committees met bi-monthly. This represents approximately 304 meetings.

LEGISLATION COMMITTEE

A committee requiring considerable secretariat resources is the Cabinet Committee on Legislation, chaired by the Minister of Intergovernmental Relations, the Honourable Garde B. Gardom. In 1981 this committee met 155 times. The Ministry organizes the process for preparing proposals for legislation well in advance of each session of the Legislature. This system allows for more efficient consideration of these proposals by the cabinet committees and by full Cabinet and establishes priorities for drafting. The Ministry also ensures that draft legislation is presented in an organized manner to the Cabinet Committee on Legislation, with summary material being provided for any major policy or inter-ministry implications arising out of the proposed bills.

EMPLOYMENT DEVELOPMENT COMMITTEE

This committee, chaired by the Deputy Premier and Minister of Human Resources, the Honourable Grace McCarthy, was created to stimulate and coordinate job creation and manpower policies in British Columbia. To fulfill its mandate, it was made responsible for a $132.9 million employment development fund. In 1981/82, the committee began its activities by identifying, reviewing and initiating employment alternatives. It also saw to the development of a youth/students summer jobs program designed to provide job opportunities in tourism, farm, business and university/college sectors of the economy. During the year, the committee was involved in the negotiation with the Federal Government on a forest enhancement employment program.

SOCIAL SERVICES COMMITTEE

This committee, chaired by the Minister of Health, the Honourable James Nielsen, initiated a comprehensive study on services to senior citizens. The study, which is still in the developmental stage, is aimed at gathering information on existing and needed services for senior citizens. Another major policy matter dealt with by the committee was pensions. The B.C. Government's consideration of the issue was made public in the document "Developing a Pension Policy for the Future" that was released in February, 1982.

ENVIRONMENT AND LAND USE COMMITTEE

This committee, chaired by the Minister of Environment, the Honourable Stephen Rogers, is responsible for resolving land use conflicts and integrating land and resource use policy. It also dealt with the impact on the environment of major development projects in the province. The committee also dealt with appeals from the Agriculture Land Reserve.

ECONOMIC DEVELOPMENT COMMITTEE

This committee, chaired by the Minister of Labour, the Honourable Robert McClelland, continued the initiative started in 1980 of holding meetings and seminars in different parts of the Province. Issues of major importance discussed by the committee included a proposed plan for liquified natural gas. The committee also reviewed briefs from professional and business organizations.

COAL DEVELOPMENT COMMITTEE

This committee, chaired by the Minister of Industry and Small Business Development, the Honourable Don Phillips, is responsible for overseeing the North East Coal development. The committee accomplishes its functions by reviewing project status reports on emerging or potential socio-economic problems, on the measures taken by line ministries to mitigate or resolve such problems and on the need for any additional measures for impact management. Some of the major issues dealt with by the committee included manpower requirements for the North East Coal project, land use planning and delivery of services in Tumbler Ridge, which is the new townsite for the North East Coal development.

PUBLIC PARTICIPATION IN POLICY MAKING

In 1981/82, Cabinet committees provided for increased public awareness of policy issues, the release of discussion papers and by hearing presentations from interested groups. In addition, public input was encouraged by visiting and meeting interest groups. An example of such commitments was a trip by the Cabinet Committee on Economic Development to north west British Columbia where meetings were held with public representatives. Another example was the release of the discussion paper, "Developing a Pension Policy for the Future".

Also preparation was under way by the Cabinet Committee on Legislation for the publication of a proposal for a new *Expropriation Act* in the form of a "Green Paper" later in 1982. The proposal is for the reform of expropriation laws in British Columbia by replacing a number of often confusing and contradictory expropriation statutes with a single *Expropriation Act* that emphasizes fair, understandable and less expensive procedures than exist at present.

British Columbia House, which was opened in Ottawa on September 9, 1980, had a very active second operating year.

One of the principal objectives in the establishment of this British Columbia base in Ottawa was to ensure that Victoria be promptly advised of the activities of the Federal Government in matters which impacted directly or indirectly upon provincial government programs and policies. In March 1981, in order to complement this objective, British Columbia House developed the "Ottawa Report" which is distributed to senior officials in all provincial ministries on a weekly basis. This report, which has been well received by its readers, covers legislative proceedings, Question Period, and committee proceedings. It also highlights events and activities occurring in other provincial legislatures that concern the Federal Government and our Province. A significant factor in facilitating our ability to communicate effectively and quickly between our two capitals also has been the upgrading of our telecommunications system in cooperation with the Ministry of Universities, Science and Communications.

The 1981-82 year proved to be busy in an administrative sense in that the Premier, as Chairman of the Premiers' Conference, frequently operated from British Columbia House. On September 28, 1981 the date on which the Supreme Court decision on the Constitution was brought down, our offices were used as the assembly place for a number of provincial attorneys general.

Ottawa has been the site of substantial federal-provincial activity in 1981-82. Numerous conferences including two First Ministers' on the Constitution, one on the economy and several ministerial conferences including fiscal arrangements, trade and industry, have been held and administrative support services have been provided by British Columbia House. The signing of the Energy Agreement between Ottawa and British Columbia was another event to which we contributed our administrative support.

The mandate of British Columbia House continues to evolve with experience and our staff members are finding themselves representing our province at various federal-provincial meetings.

British Columbia House has also developed a substantial library of tourism, industry, and relocation information. There has been a considerable increase in inquiries of this nature due to a British Columbia presence now being felt more in the nation's capital.

There were many highlights during the 1981-82 year in which B.C. House in London became greatly involved: The Canadian Constitution; the wedding of his Royal Highness the Prince of Wales and Lady Diana Spencer; the award-winning Canadian play "Billy Bishop goes to War"; the opening of Cecil Green College at the University of Oxford; and the Terry Fox Marathon of Hope at Regent's Park in London in which members of B.C. House staff participated in raising over $4,500 for the Terry Fox Foundation.

The year also saw British Airways granted the right to fly between London and Vancouver. Several B.C. House promotions were featured in conjunction with its inaugural flights. The B.C. apple promotion by the Glass Glover Group and B.C. Tree Fruits was an outstanding success: 75 million B.C. apples (some 500,000 cases) were landed in the United Kingdom. The United Kingdom has now become B.C. Tree Fruits largest export apple market.

Many official visitors came to B.C. House in 1981/82 including several cabinet ministers. B.C. House was able to assist the Minister of Universities, Science and Communications to conclude an agreement on behalf of the Province of British Columbia with the Welcome Foundation of England for the production of a highly purified form of interferon in British Columbia. This drug is currently being investigated for its possible effectiveness in treating cancer and viral illnesses.

The British Columbia House building, which is located in the heart of London at No. 1 Regent Street, was built by the Province of British Columbia between 1913 and 1915 on land leased for 95 years from the British Crown. Floor space not required for B.C. Government offices continues in 1981-82 to be leased. The income from leases over the years has enabled its operation to be almost self-sustaining. B.C. House also provides office facilities for the Ministries of Tourism and Industry and Small Business Development.

Agent General Alex Hart, Q.C., had a very busy year promoting the Province. He visited and spoke at meetings in Paris, Brussels, Copenhagen, Edinburgh, Glasgow, Falkirk, Oxford, Cambridge, Middlesbrough, Cardiff, Norwich and King's Lynn, to mention a few. He also spoke on the Canadian Constitution to members of the Houses of Lords and of Commons. He hosted appropriate receptions on behalf of the Province of British Columbia.

Besides the day-to-day operation of B.C. House, the office of the Agent General represented Ministries of the Provincial Government in their dealings with the United Kingdom and Europe. To do this the Agent General has maintained excellent working relationships with Canadian Government offices in Britain and Europe, with other provincial Agents General and with British and European government departments, as well as expanded contacts with British, European and Canadian private sector groups.

Information services were well used as the Agent General and the staff were inundated with enquiries from all over Europe on many aspects of life in British Columbia — business, schools, law, health, vital statistics, regulations in any field, taxes, driver licenses, prices, transportation, job opportunities, investment, addresses, etc. Requests for information about the United Kingdom and Europe were also received from various Ministries and individuals in British Columbia.

British Columbia House continues to publish a monthly six-page newsletter that includes highlights and developments in political, business, tourism and financial scenes in British Columbia, and mirrors some activities of B.C. House personnel in Europe. More than 1800 copies of this news letter are distributed each month to European governmental, financial and business concerns, also to interested private individuals.

Immigration is another aspect of assistance provided by staff with many callers referred to B.C. House by Canada Immigration for B.C. specific information. During the year, five major British Columbia businesses were directly assisted by B.C. House in their recruitment campaigns in Europe, and several other firms were given support in their independent manpower drives. On-going liaison with Canada Immigration in Europe was maintained through monthly meetings with their London office.

The library of 16 mm sound and colour films, audio-visual presentations, slides and photographs of British Columbia was greatly augmented during 1981-82 so as to continue to present up-to-date material on all sectors of the Province to the European public and business establishments. Catalogues of the available material were widely distributed.

Ministry staff are saddened by the death of Robert Strachan, former Agent General for British Columbia, on July 19, 1981. He had a long and distinguished career in politics in British Columbia. He was leader of the New Democratic Party in B.C. and leader of the Opposition from 1965 to 1969. Mr. Strachan was appointed Agent General in October, 1975 and held that post until 1977.

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